

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86**  
**(For candidates admitted during the academic year 2015–16 and thereafter)**

**SUBJECT CODE: 15EC/PC/IT24**

**M. A. DEGREE EXAMINATION, APRIL 2018**  
**BRANCH III – ECONOMICS**  
**SECOND SEMESTER**

**COURSE : MAJOR - CORE**  
**PAPER : INTERNATIONAL TRADE**  
**TIME : 3 HOURS**

**MAX. MARKS:100**

**SECTION – A**

**ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300 WORDS.**  
**(5 X 8 = 40)**

1. Derive the offer curve. Show the slope of an offer curve when it is elastic, inelastic and unitary.
2. Explain Linder's theory of volume of trade and demand pattern.
3. What is Immiserising Growth? What are the necessary conditions for the occurrence of Immiserising Growth?
4. What is meant by optimum tariff? When does an optimum tariff likely to become zero?
5. Write a short note on Countervailing Duty.
6. Elucidate Marshall-Lerner condition for effective devaluation.
7. Portray the important objectives of NIEO based on the proposals of the UN Resolutions.

**SECTION – B**

**ANSWER ANY THREE QUESTIONS. EACH ANSWER NOT TO EXCEED 1200 WORDS.**  
**(3 x 20 = 60)**

8. "The main cause of trade between regions is the difference in prices of commodities based on relative factor endowments and factor prices". Critically examine the statement.
9. Discuss the Prebisch-Singer Thesis of secular stagnation of trade in relation to Less Developed Countries.
10. Give arguments in favour of protection. Examine the infant industry argument for protection in the case of Less Developed Countries.
11. Distinguish between Balance of Current Account and Balance of Capital Account. What are the causes of adverse balance of payments? Give suggestions to correct adverse balance of payments?
12. Explain the main features of World Trade Organisation. Write notes on the following issues of International trade.
  - a) Agreement on Agriculture.
  - b) Non-agricultural Market Access.

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